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59th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1982 Financial Ratios Book Manufacturers

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Printing Industries of America Inc.

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H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR BOOK MANUFACTURERS. This year, a total of 36 firms in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 11 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example, sales from $250,000 to $500,000, $500,000 to $1,500,000 etc.; by product specialty - for example, printing and binding or printing only; and by process specialty - for example, sheet-fed offset or web-fed offset. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

SALES		$100
LESS: MATERIALS		
Paper	$22	
Other chargeable materials	6	
Outside services	7	
		35
VALUE ADDED		$ 65

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

"Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.11	43.42	45.59
FACTORY EXPENSES	19.46	17.41	18.46
TOTAL FACTORY COST OF PRODUCT	66.57	60.83	64.05
GROSS PROFIT	33.43	39.17	35.95
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.06	11.02	17.64
Selling expenses	9.71	9.90	4.03
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.77	20.92	21.67
INCOME BEFORE INTEREST EXPENSE	9.66	18.25	14.28
Interest expense	3.81	2.63	1.34
OPERATING INCOME	5.85	15.62	12.94
Other income (expense)	1.06	2.14	(3.03)
INCOME BEFORE INCOME TAXES	6.91	17.76	9.91

* See Page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
40.88 22.98	49.06 18.22	48.22 18.82	39.45 17.57	46.42 20.52	45.84 18.32
63.86	67.28	67.04	57.02	66.94	64.16
36.14	32.72	32.96	42.98	33.06	35.84
17.98 7.15	13.54 10.43	13.83 10.35	13.02 10.01	12.20 10.56	10.47 10.69
25.13	23.97	24.18	23.03	22.76	21.16
11.01	8.75	8.78	19.95	10.30	14.68
5.91	4.27	4.72	6.09	1.47	0.61
5.10	4.48	4.06	13.86	8.83	14.07
1.17	1.16	0.90	1.46	2.09	2.76
6.27	5.64	4.96	15.32	10.92	16.83

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.44%	3.91%	12.30%
Direct wages	31.77	27.17	24.34
General factory salaries and wages	4.37	4.23	0.91
Packing, shipping and delivery wages	1.45	1.20	0.00
Payroll taxes	2.75	2.28	5.61
Employee benefits	3.33	4.63	2.43
TOTAL FACTORY PAYROLL	47.11	43.42	45.59
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.79	0.44	0.00
Depreciation - other	4.04	3.93	3.30
Taxes - real estate	0.48	0.53	0.58
Taxes - other	0.34	0.36	0.67
Insurance	0.77	0.78	1.42
Building rent	1.50	0.93	2.73
Utilities - heat, light, etc.	1.88	1.63	1.13
Equipment rental	0.66	0.16	1.85
Total Fixed Expenses	10.46	8.76	11.68
Other Expenses			
Factory supplies and expense	3.40	2.37	0.77
Packing, shipping and delivery expense	1.55	1.57	3.86
Repairs and maintenance	2.62	2.37	1.15
Other factory expenses	1.43	2.34	1.00
Total Other Expenses	9.00	8.65	6.78
TOTAL FACTORY EXPENSES	19.46	17.41	18.46
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.42	2.96	2.02
Salaries - office	3.97	2.86	7.29
Payroll taxes	0.52	0.29	2.46
Employee benefits	0.58	0.67	0.12
Bad debts	0.91	0.41	0.64
Office supplies and expenses	0.73	0.49	0.40
Professional fees	0.88	0.57	0.55
Taxes - business	0.34	0.28	1.07
Telephone	0.78	0.69	1.06
Other administrative expenses	1.93	1.80	2.03
TOTAL ADMINISTRATIVE EXPENSES	14.06	11.02	17.64
SELLING EXPENSES			
Salaries - executive	1.06	1.37	0.00
Salaries and commissions - salesmen	3.93	3.52	0.00
Salaries - sales office clerical	1.35	1.30	0.00
Payroll taxes	0.29	0.25	0.00
Employee benefits	0.40	0.60	0.00
Advertising	0.51	0.99	0.25
Travel and entertainment	1.22	1.03	0.89
Other selling expenses	0.95	0.84	2.89
TOTAL SELLING EXPENSES	9.71	9.90	4.03

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.19%	2.84%	3.48%	2.90%	3.09%	3.43%
31.62	37.43	30.44	26.60	27.81	25.63
1.75	2.34	7.07	3.22	5.61	6.71
2.20	1.47	1.32	1.72	1.59	1.26
2.26	2.28	2.84	1.44	2.79	2.64
1.86	2.70	3.07	3.57	5.53	6.17
40.88	49.06	48.22	39.45	46.42	45.84
2.10	1.10	0.30	0.40	0.59	0.65
6.25	2.98	4.73	5.48	3.61	3.46
0.10	0.65	0.50	0.59	0.39	0.47
0.14	0.27	0.30	0.23	0.51	0.59
0.84	0.75	0.85	0.38	0.51	0.36
3.04	1.62	1.47	1.30	0.27	0.09
1.73	1.85	2.01	1.42	2.02	1.75
0.49	0.69	0.45	0.19	0.68	0.19
14.69	9.91	10.61	9.99	8.58	7.56
4.17	2.95	4.05	3.63	3.45	1.85
0.65	2.02	0.78	0.74	1.82	2.01
2.34	2.38	2.77	2.55	3.24	2.69
1.13	0.96	0.61	0.66	3.43	4.21
8.29	8.31	8.21	7.58	11.94	10.76
22.98	18.22	18.82	17.57	20.52	18.32
4.11	4.22	3.71	5.04	1.91	2.14
3.67	4.00	3.69	2.53	3.61	3.00
0.40	0.42	0.43	0.32	0.35	0.30
0.23	0.66	0.54	0.74	0.81	0.78
1.38	0.32	1.21	0.41	1.13	0.58
0.46	1.15	0.73	0.43	0.40	0.45
2.83	0.63	0.70	0.48	0.58	0.64
0.30	0.25	0.29	0.19	0.37	0.38
0.99	0.79	0.74	0.89	0.65	0.47
3.61	1.10	1.79	1.99	2.39	1.73
17.98	13.54	13.83	13.02	12.20	10.47
0.71	1.74	0.86	1.12	0.83	0.90
3.48	4.36	4.56	4.69	3.76	4.01
0.24	1.34	1.46	0.75	2.10	2.26
0.14	0.28	0.35	0.17	0.36	0.31
0.09	0.31	0.41	0.56	0.76	0.79
0.59	0.77	0.46	0.76	0.24	0.22
0.81	1.13	1.54	1.07	1.18	1.10
1.09	0.50	0.71	0.89	1.33	1.10
7.15	10.43	10.35	10.01	10.56	10.69

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	21.60	24.49	20.86
Other chargeable materials	9.03	8.51	10.67
Outside services	7.55	5.43	7.89
TOTAL MATERIAL	38.18	38.43	39.42
FACTORY PAYROLL	29.28	26.85	28.27
FACTORY EXPENSES	11.93	10.75	11.07
TOTAL FACTORY COST OF PRODUCT	79.39	76.03	78.76
GROSS PROFIT	20.61	23.97	21.24
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.59	6.76	10.35
Selling expenses	6.01	6.14	2.33
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.60	12.90	12.68
INCOME BEFORE INTEREST EXPENSE	6.01	11.07	8.56
Interest expense	2.29	1.49	0.77
OPERATING INCOME	3.72	9.58	7.79
Other income (expense)	0.69	1.37	(1.56)
INCOME BEFORE INCOME TAXES	4.41	10.95	6.23

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.69%	0.84%	1.35%
Film	1.78	1.71	0.00
Plates	2.06	1.32	0.00
Other chargeable materials	3.50	4.64	9.32
TOTAL OTHER CHARGEABLE MATERIALS	9.03	8.51	10.67
OUTSIDE SERVICES			
Composition	0.98	0.43	9.11
Offset preparation	1.41	0.20	0.51
Printing	0.72	0.37	1.22
Binding	3.51	3.72	1.77
Other outside services	0.93	0.71	(4.72)
TOTAL OUTSIDE SERVICES	7.55	5.43	7.89

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
16.97	21.84	24.35	29.61	20.01	22.54
8.13	6.07	8.10	7.31	14.41	9.37
6.92	10.16	8.41	5.88	3.00	3.18
32.02	38.07	40.86	42.80	37.42	35.09
28.11	30.32	29.05	22.41	29.02	29.75
15.54	11.24	10.95	10.20	12.62	11.81
75.67	79.63	80.86	75.41	79.06	76.65
24.33	20.37	19.14	24.59	20.94	23.35
12.13	8.55	7.73	7.55	7.61	6.76
4.92	6.46	6.20	5.79	6.59	7.02
17.05	15.01	13.93	13.34	14.20	13.78
7.28	5.36	5.21	11.25	6.74	9.57
3.87	2.63	2.70	3.38	0.86	0.40
3.41	2.73	2.51	7.87	5.88	9.17
0.83	0.74	0.54	0.87	1.33	1.81
4.24	3.47	3.05	8.74	7.21	10.98
2.64%	1.08%	1.81%	0.93%	0.56%	0.49%
0.80	1.39	1.86	1.35	3.69	2.59
2.31	1.90	1.47	0.70	2.96	2.06
2.38	1.70	2.96	4.33	7.20	4.23
8.13	6.07	8.10	7.31	14.41	9.37
1.72	1.38	0.15	0.13	0.29	0.33
1.71	2.41	1.21	0.22	0.03	0.03
1.03	0.87	0.62	0.32	0.38	0.40
2.46	4.62	3.93	2.32	1.68	1.64
0.00	0.88	2.50	2.89	0.62	0.78
5.92	10.16	8.41	5.88	3.00	3.18

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.13%	2.42%	7.34%
Direct wages	19.99	16.77	15.55
General factory salaries and wages	2.43	2.66	0.52
Packing, shipping and delivery wages	0.93	0.73	0.00
Payroll taxes	1.71	1.43	3.38
Employee benefits	2.09	2.84	1.48
TOTAL FACTORY PAYROLL	29.28	26.85	28.27
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.49	0.28	0.00
Depreciation - other	2.46	2.43	1.88
Taxes - real estate	0.30	0.33	0.37
Taxes - other	0.20	0.22	0.38
Insurance	0.46	0.48	0.89
Building rent	0.91	0.54	1.64
Utilities - heat, light, etc.	1.18	1.02	0.72
Equipment rental	0.40	0.10	1.06
Total Fixed Expenses	6.40	5.40	6.94
Other Expenses			
Factory supplies and expense	2.14	1.45	0.44
Packing, shipping and delivery expense	0.93	0.98	2.35
Repairs and maintenance	1.58	1.46	0.70
Other factory expenses	0.88	1.46	0.64
Total Other Expenses	5.53	5.35	4.13
TOTAL FACTORY EXPENSES	11.93	10.75	11.07
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.10	1.76	1.15
Salaries - office	2.42	1.77	4.33
Payroll taxes	0.32	0.18	1.41
Employee benefits	0.36	0.41	0.07
Bad debts	0.51	0.27	0.37
Office supplies and expenses	0.44	0.30	0.25
Professional fees	0.55	0.36	0.31
Taxes - business	0.21	0.18	0.62
Telephone	0.48	0.42	0.62
Other administrative expenses	1.20	1.11	1.22
TOTAL ADMINISTRATIVE EXPENSES	8.59	6.76	10.35
SELLING EXPENSES			
Salaries - executive	0.66	0.83	0.00
Salaries and commissions - salesmen	2.46	2.20	0.00
Salaries - sales office clerical	0.83	0.82	0.00
Payroll taxes	0.18	0.16	0.00
Employee benefits	0.25	0.37	0.00
Advertising	0.31	0.60	0.16
Travel and entertainment	0.74	0.64	0.51
Other selling expenses	0.58	0.52	1.66
TOTAL SELLING EXPENSES	6.01	6.14	2.33

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
0.80%	1.82%	2.10%	1.65%	1.95%	2.23%
21.76	23.06	19.08	15.12	17.28	16.64
1.14	1.39	3.44	1.80	3.59	4.40
1.53	0.93	0.82	0.98	0.99	0.83
1.52	1.43	1.74	0.85	1.74	1.71
1.36	1.69	1.87	2.01	3.47	3.94
28.11	30.32	29.05	22.41	29.02	29.75
1.28	0.68	0.18	0.23	0.37	0.43
4.23	1.88	2.67	3.25	2.27	2.26
0.06	0.41	0.29	0.33	0.25	0.31
0.09	0.17	0.16	0.13	0.32	0.39
0.55	0.46	0.44	0.22	0.32	0.23
2.18	0.94	0.82	0.73	0.14	0.03
1.22	1.16	1.22	0.82	1.25	1.15
0.31	0.42	0.32	0.11	0.38	0.12
9.92	6.12	6.10	5.82	5.30	4.92
2.92	1.87	2.45	2.10	2.09	1.22
0.44	1.24	0.39	0.43	1.13	1.26
1.57	1.43	1.63	1.49	1.97	1.74
0.69	0.58	0.38	0.36	2.13	2.67
5.62	5.12	4.85	4.38	7.32	6.89
15.54	11.24	10.95	10.20	12.62	11.81
2.86	2.67	2.10	2.92	1.18	1.37
2.51	2.52	2.00	1.43	2.30	1.95
0.27	0.27	0.25	0.19	0.22	0.19
0.17	0.43	0.32	0.42	0.51	0.50
0.92	0.21	0.58	0.26	0.66	0.38
0.32	0.70	0.41	0.25	0.25	0.29
1.89	0.40	0.41	0.28	0.36	0.41
0.21	0.15	0.17	0.11	0.23	0.25
0.67	0.50	0.43	0.52	0.39	0.30
2.31	0.70	1.06	1.17	1.51	1.12
12.13	8.55	7.73	7.55	7.61	6.76
0.55	1.06	0.53	0.64	0.53	0.59
2.36	2.80	2.69	2.74	2.35	2.65
0.18	0.78	0.91	0.42	1.30	1.48
0.10	0.17	0.22	0.10	0.22	0.20
0.07	0.19	0.25	0.32	0.47	0.50
0.41	0.46	0.28	0.46	0.15	0.15
0.54	0.70	0.90	0.62	0.74	0.72
0.71	0.30	0.42	0.49	0.83	0.73
4.92	6.46	6.20	5.79	6.59	7.02

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	4.43%	7.55%	27.46%
Receivables	35.91	33.06	31.13
Inventories	19.16	16.03	12.78
Other current assets	2.67	3.19	1.73
TOTAL CURRENT ASSETS	62.17	59.83	73.10
FIXED ASSETS			
Real estate	12.93	13.70	0.00
Less: Accumulated depreciation	3.90	4.92	0.00
	9.03	8.78	0.00
Machinery and equipment	59.07	50.26	61.77
Less: Accumulated depreciation	35.19	24.60	42.40
	23.88	25.66	19.37
Other fixed assets	4.60	4.68	8.33
Less: Accumulated depreciation	2.11	1.77	0.85
	2.49	2.91	7.48
NET FIXED ASSETS	35.40	37.35	26.85
OTHER ASSETS	2.43	2.82	0.05
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	12.00	6.40	9.58
Accounts payable	16.26	11.95	3.57
Other current liabilities	10.15	8.52	4.67
TOTAL CURRENT LIABILITIES	38.41	26.87	17.82
LONG-TERM LIABILITIES	23.19	14.47	4.30
TOTAL LIABILITIES	61.60	41.34	22.12
SHAREHOLDERS' AND PROPRIETORS' EQUITY	38.40	58.66	77.88
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.62	2.23	4.10
QUICK RATIO	1.12	1.63	3.38
TOTAL LIABILITIES TO EQUITY	1.60	0.70	0.28
LONG-TERM LIABILITIES TO EQUITY	0.60	0.25	0.06
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.60	0.49	0.69

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
4.39%	2.64%	4.05%	4.55%	1.67%	1.56%
24.31	38.34	37.79	36.15	36.97	33.93
21.45	20.66	18.60	17.47	18.34	15.91
3.41	2.76	1.45	0.49	4.08	5.38
53.56	64.40	61.89	58.66	61.06	56.78
10.37	13.23	10.60	8.64	20.22	23.23
0.48	4.43	2.81	2.78	7.38	8.62
9.89	8.80	7.79	5.86	12.84	14.61
62.96	66.56	55.99	59.60	50.39	47.01
32.33	44.47	30.36	27.48	28.68	25.33
30.63	22.09	25.63	32.12	21.71	21.68
4.97	6.08	4.88	6.61	1.04	1.68
3.27	2.52	2.64	3.39	0.53	0.85
1.70	3.56	2.24	3.22	0.51	0.83
42.22	34.45	35.66	41.20	35.06	37.12
4.22	1.15	2.45	0.14	3.88	6.10
100.00	100.00	100.00	100.00	100.00	100.00
17.68	16.07	12.04	10.57	4.13	4.98
19.72	18.25	16.38	14.40	14.77	11.81
9.62	10.47	9.52	7.80	12.22	11.26
47.02	44.79	37.94	32.77	31.12	28.05
24.59	30.90	24.94	27.93	14.19	7.87
71.61	75.69	62.88	60.70	45.31	35.92
28.39	24.31	37.12	39.30	54.69	64.08
100.00	100.00	100.00	100.00	100.00	100.00
1.14	1.44	1.63	1.79	1.96	2.02
0.68	0.98	1.14	1.26	1.37	1.46
2.52	3.11	1.69	1.54	0.83	0.56
0.87	1.27	0.67	0.71	0.26	0.12
0.51	0.67	0.54	0.46	0.57	0.54

CHAPTER 1 - BY SIZE OF FIRM

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 29,919	$ 33,787	$ 12,751
Average assets per factory employee (Excluding Executives)	53,553	43,257	56,400
Average net worth per employee - All employees	10,913	18,915	10,020
Average gross plant investment per factory employee (Excluding Executives)	39,287	30,476	53,334
Net worth percentage of fixed assets	130.00%	204.46%	417.24%
EMPLOYEES			
Percent factory - All employees	78.71%	83.25%	72.22%
Percent administrative - All employees	13.31	9.30	27.78
Percent sales - All employees	7.98	7.45	0.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 55,928	$ 65,270	$ 31,858
Sales per factory employee	79,996	79,249	50,827
Sales less material per factory employee	49,559	48,082	30,068
Sales per administrative employee	529,323	700,594	282,830
EXCLUDING EXECUTIVES			
Sales per employee - All employees	62,828	71,529	50,827
Sales per factory employee	99,109	83,576	160,714
Sales less material per factory employee	62,059	50,705	93,057
SALES PER SALESMAN	939,767	1,029,534	0
SALES TO CURRENT ASSETS	331%	338%	367%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.85%	35.35%	35.24%
Factory payroll percentage of gross plant investment	83.83	86.30	138.19
Payroll per employee - All employees	$ 20,781	$ 21,527	$ 10,798
Payroll per factory employee	22,555	19,260	11,432
Payroll per administrative employee	24,105	27,775	11,570
Payroll per sales employee	32,527	38,677	0
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 16,992	$ 15,870	$ 7,362
Payroll per factory employee	21,125	15,038	6,304
Payroll per administrative employee	14,063	14,349	10,331
Payroll per sales employee	25,261	25,593	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	37,494	43,993	18,106
Payroll per factory executive	32,699	36,608	18,356
Payroll per administrative executive	43,308	54,033	3,356
Payroll per sales executive	31,252	48,104	0
RECEIVABLES			
Collection period	69.1	66.5	48.8
PROFIT			
Gross profit percentage of sales	20.61%	23.97%	21.24%
Average gross profit per factory employee	$ 22,863	$ 21,703	$ 45,477
Income before taxes percentage of sales	4.41%	10.95%	6.23%
Average income before taxes per employee	$ 2,999	$ 7,717	$ 1,784

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 31,435	$ 32,057	$ 32,758	$ 38,489	$ 26,610	$ 28,829
39,754	83,160	42,594	49,234	34,098	36,718
8,386	8,855	10,959	14,451	15,166	18,783
29,461	60,506	30,045	37,622	24,218	26,311
69.84%	86.71%	114.18%	114.01%	169.53%	191.05%
79.79%	74.12%	81.60%	80.97%	82.12%	83.15%
12.74	15.75	10.55	10.68	10.40	8.47
7.47	10.13	7.85	8.35	7.48	8.38
$ 46,174	$ 60,258	$ 61,124	$ 70,465	$ 53,723	$ 54,968
58,672	106,969	76,253	86,986	66,008	66,174
39,618	69,392	42,767	49,683	41,472	42,672
382,971	478,787	623,881	686,795	603,591	663,767
49,078	71,504	65,672	75,718	56,866	58,858
59,496	143,326	80,022	90,115	68,961	69,913
40,171	95,111	44,960	51,455	43,318	45,046
165,000	684,180	922,891	795,018	1,373,972	1,170,244
297%	335%	328%	335%	338%	344%
37.18%	41.21%	38.31%	31.59%	38.08%	39.17%
56.30	78.08	89.37	64.25	84.30	80.32
$ 16,893	$ 23,226	$ 21,892	$ 22,407	$ 20,332	$ 21,124
16,155	32,014	19,968	19,585	19,087	19,300
21,512	23,642	28,069	32,791	23,721	26,178
22,856	29,898	35,124	37,281	45,538	38,341
$ 14,343	$ 20,134	$ 17,594	$ 17,009	$ 15,576	$ 15,973
14,352	35,109	16,823	16,115	14,905	14,868
13,831	14,149	14,558	13,333	14,311	14,988
16,418	19,878	30,465	31,067	36,243	31,451
24,273	33,281	45,424	53,543	43,838	35,620
13,200	29,169	35,335	41,703	47,264	28,575
24,606	36,302	57,830	65,996	52,312	57,676
13,710	24,370	39,038	49,005	46,593	51,999
57.1	72.1	75.0	77.0	67.9	66.2
24.33%	20.37%	19.14%	24.59%	20.94%	23.35%
$ 14,665	$ 34,940	$ 15,491	$ 22,056	$ 14,840	$ 16,459
4.24%	3.47%	3.05%	8.74%	7.21%	10.98%
$ 1,947	$ 3,605	$ 2,157	$ 6,170	$ 4,153	$ 6,133

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $250,000-$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 2.25	$ 3.38	$13.21
Receivables	18.10	17.51	12.15
Inventories	10.32	8.38	4.77
Marketable securities	0.39	1.22	0.00
Other current assets	1.06	0.64	0.84
	32.12	31.13	30.97
Plant Investment:			
Land and building	8.27	8.02	0.00
Machinery and equipment	30.30	27.00	23.40
Other fixed assets	2.05	2.38	2.93
	40.62	37.40	26.33
Non-Current Assets	1.59	1.78	0.02
TOTAL INVESTMENT	74.33	70.31	57.32
INVESTMENT TURNOVER PER $100 OF SALES	134.54%	142.23%	174.45%
EARNINGS			
Cost of Product	$79.39	$/6.03	$78.76
Selling Expenses	6.01	6.14	2.33
Administrative Expenses	8.59	6.76	10.35
	93.99	88.93	91.44
Income Before Interest, Other Income (Expense), and Taxes	6.01	11.07	8.56
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.09%	15.74%	14.93%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 2.61	$ 1.73	$ 1.70	$ 1.49	$ 0.78	$ 0.74
14.49	19.16	19.49	20.35	18.03	17.64
16.78	10.60	9.68	9.59	8.98	8.30
0.00	0.00	0.04	0.00	1.73	2.69
1.75	1.49	0.69	0.21	0.70	0.64
35.63	32.98	31.60	31.64	30.22	30.01
9.34	8.97	6.91	5.76	10.71	13.04
39.20	32.78	29.79	34.36	24.86	24.53
2.40	2.46	2.42	3.46	0.59	0.95
50.94	44.21	39.12	43.58	36.16	38.52
2.55	0.54	1.91	0.05	2.46	3.88
89.12	77.73	72.63	75.27	68.84	72.41
112.21%	128.65%	137.68%	132.86%	145.26%	138.10%
$75.67	$79.63	$80.86	$75.41	$79.06	$76.65
4.92	6.46	6.20	5.79	6.59	7.02
12.13	8.55	7.73	7.55	7.61	6.76
92.72	94.64	94.79	88.75	93.26	90.43
7.28	5.36	5.21	11.25	6.74	9.57
8.17%	6.90%	7.17%	14.95%	9.79%	13.22%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.59	43.97	46.13
FACTORY EXPENSES	18.84	17.85	24.43
TOTAL FACTORY COST OF PRODUCT	66.43	61.82	70.56
GROSS PROFIT	33.57	38.18	29.44
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.78	11.17	16.56
Selling expenses	9.83	9.84	8.87
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.61	21.01	25.43
INCOME BEFORE INTEREST EXPENSE	9.96	17.17	4.01
Interest expense	3.83	2.78	4.20
OPERATING INCOME (LOSS)	6.13	14.39	(0.19)
Other income	1.09	2.29	0.96
INCOME BEFORE INCOME TAXES	7.22	16.68	0.77

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.64%	4.16%	2.63%
Direct wages	32.70	27.19	27.23
General factory salaries and wages	3.38	4.14	10.16
Packing, shipping and delivery wages	1.56	1.17	0.81
Payroll taxes	2.70	2.37	3.29
Employee benefits	3.61	4.94	2.01
TOTAL FACTORY PAYROLL	47.59	43.97	46.13
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.69	0.44	1.47
Depreciation - other	3.70	3.72	5.71
Taxes - real estate	0.53	0.55	0.18
Taxes - other	0.35	0.38	0.32
Insurance	0.67	0.83	1.49
Building rent	1.31	1.03	2.90
Utilities - heat, light, etc.	1.76	1.74	2.86
Equipment rental	0.68	0.15	0.60
Total Fixed Expenses	9.69	8.84	15.53
Other Expenses			
Factory supplies and expense	3.29	2.56	4.68
Packing, shipping and delivery expense	1.71	1.59	0.63
Repairs and maintenance	2.68	2.31	2.19
Other factory expenses	1.47	2.55	1.40
Total Other Expenses	9.15	9.01	8.90
TOTAL FACTORY EXPENSES	18.84	17.85	24.43
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.47	3.10	3.48
Salaries - office	3.90	2.86	4.68
Payroll taxes	0.53	0.30	0.50
Employee benefits	0.64	0.71	0.31
Bad debts	0.76	0.35	1.74
Office supplies and expenses	0.72	0.50	0.87
Professional fees	0.89	0.57	0.86
Taxes - business	0.38	0.30	0.14
Telephone	0.78	0.67	0.73
Other administrative expenses	1.71	1.81	3.25
TOTAL ADMINISTRATIVE EXPENSES	13.78	11.17	16.56
SELLING EXPENSES			
Salaries - executive	1.08	1.46	1.04
Salaries and commissions - salesmen	4.06	3.36	3.07
Salaries - sales office clerical	1.37	1.35	1.29
Payroll taxes	0.27	0.26	0.46
Employee benefits	0.41	0.64	0.33
Advertising	0.57	1.01	0.07
Travel and entertainment	1.04	0.91	2.08
Other selling expenses	1.03	0.85	0.53
TOTAL SELLING EXPENSES	9.83	9.84	8.87

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	22.47	24.85	16.50
Other chargeable materials	9.26	8.76	8.30
Outside services	6.87	5.49	12.16
TOTAL MATERIAL	38.60	39.10	36.96
FACTORY PAYROLL	29.29	26.95	29.91
FACTORY EXPENSES	11.53	10.93	14.91
TOTAL FACTORY COST OF PRODUCT	79.42	76.98	81.78
GROSS PROFIT	20.58	23.02	18.22
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.53	6.79	9.35
Selling expenses	6.04	6.03	5.59
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.57	12.82	14.94
INCOME BEFORE INTEREST EXPENSE	6.01	10.20	3.28
Interest expense	2.30	1.57	2.57
OPERATING INCOME	3.71	8.63	0.71
Other income	0.70	1.46	0.69
INCOME BEFORE INCOME TAXES	4.41	10.09	1.40

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.12%	0.87%	3.58%
Film	2.03	1.76	0.98
Plates	1.95	1.36	2.42
Other chargeable materials	4.16	4.77	1.32
TOTAL OTHER CHARGEABLE MATERIALS	9.26	8.76	8.30
OUTSIDE SERVICES			
Composition	0.94	0.43	0.09
Offset preparation	1.24	0.20	3.94
Printing	0.67	0.37	0.84
Binding	3.29	3.77	1.88
Other outside services	0.73	0.72	5.41
TOTAL OUTSIDE SERVICES	6.87	5.49	12.16

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.22%	2.56%	1.77%
Direct wages	20.11	16.59	19.60
General factory salaries and wages	2.07	2.58	4.36
Packing, shipping and delivery wages	0.98	0.71	0.62
Payroll taxes	1.68	1.49	2.10
Employee benefits	2.23	3.02	1.46
TOTAL FACTORY PAYROLL	29.29	26.95	29.91
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.43	0.28	0.90
Depreciation - other	2.28	2.26	3.23
Taxes - real estate	0.33	0.34	0.12
Taxes - other	0.22	0.24	0.15
Insurance	0.41	0.51	0.78
Building rent	0.78	0.59	1.84
Utilities - heat, light, etc.	1.09	1.08	1.89
Equipment rental	0.40	0.09	0.46
Total Fixed Expenses	5.94	5.39	9.37
Other Expenses			
Factory supplies and expense	2.03	1.56	3.12
Packing, shipping and delivery expense	1.04	0.98	0.24
Repairs and maintenance	1.62	1.41	1.27
Other factory expenses	0.90	1.59	0.91
Total Other Expenses	5.59	5.54	5.54
TOTAL FACTORY EXPENSES	11.53	10.93	14.91
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.15	1.85	2.03
Salaries - office	2.41	1.76	2.52
Payroll taxes	0.33	0.18	0.29
Employee benefits	0.39	0.43	0.22
Bad debts	0.47	0.22	0.70
Office supplies and expenses	0.44	0.30	0.49
Professional fees	0.56	0.35	0.54
Taxes - business	0.23	0.19	0.10
Telephone	0.48	0.40	0.44
Other administrative expenses	1.07	1.11	2.02
TOTAL ADMINISTRATIVE EXPENSES	8.53	6.79	9.35
SELLING EXPENSES			
Salaries - executive	0.66	0.88	0.78
Salaries and commissions - salesmen	2.55	2.07	1.74
Salaries - sales office clerical	0.82	0.85	0.91
Payroll taxes	0.16	0.16	0.30
Employee benefits	0.25	0.39	0.23
Advertising	0.35	0.61	0.04
Travel and entertainment	0.63	0.55	1.25
Other selling expenses	0.62	0.52	0.34
TOTAL SELLING EXPENSES	6.04	6.03	5.59

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	4.27%	8.31%	6.26%
Receivables	36.44	32.86	32.88
Inventories	18.64	15.60	22.07
Other current assets	2.96	3.45	1.35
TOTAL CURRENT ASSETS	62.31	60.22	62.56
FIXED ASSETS			
Real estate	14.80	13.31	0.75
Less: Accumulated depreciation	4.51	4.95	0.09
	10.29	8.36	0.66
Machinery and equipment	57.59	49.72	68.60
Less: Accumulated depreciation	35.09	24.39	37.44
	22.50	25.33	31.16
Other fixed assets	4.62	4.80	4.65
Less: Accumulated depreciation	2.05	1.74	2.43
	2.57	3.06	2.22
NET FIXED ASSETS	35.36	36.75	34.04
OTHER ASSETS	2.33	3.03	3.40
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	11.76	5.31	12.42
Accounts payable	15.43	11.60	21.40
Other current liabilities	10.66	8.99	8.36
TOTAL CURRENT LIABILITIES	37.85	25.90	42.18
LONG-TERM LIABILITIES	23.98	15.19	21.60
TOTAL LIABILITIES	61.83	41.09	63.78
SHAREHOLDERS' AND PROPRIETORS' EQUITY	38.17	58.91	36.22
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.65	2.33	1.48
QUICK RATIO	1.15	1.72	0.96
TOTAL LIABILITIES TO EQUITY	1.62	0.70	1.76
LONG-TERM LIABILITIES TO EQUITY	0.63	0.26	0.60
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.61	0.49	0.55

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 29,569	$ 34,029	$ 31,731
Average assets per factory employee (Excluding Executives)	55,937	43,668	42,128
Average net worth per employee - All employees	10,643	19,044	11,193
Average gross plant investment per factory employee (Excluding Executives)	41,191	30,518	29,703
Net worth percentage of fixed assets	133.62%	211.94%	108.31%
EMPLOYEES			
Percent factory - All employees	78.46%	83.40%	79.59%
Percent administrative - All employees	13.64	9.37	12.26
Percent sales - All employees	7.90	7.23	8.15
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 55,427	$ 65,923	$ 58,372
Sales per factory employee	81,066	79,987	75,200
Sales less material per factory employee	50,782	47,983	42,322
Sales per administrative employee	519,709	702,370	556,302
EXCLUDING EXECUTIVES			
Sales per employee - All employees	63,069	72,578	61,742
Sales per factory employee	103,481	84,601	78,033
Sales less material per factory employee	65,458	50,769	44,065
SALES PER SALESMAN	961,837	1,077,342	819,440
SALES TO CURRENT ASSETS	335%	338%	305%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	39.01%	35.52%	38.93%
Factory payroll percentage of gross plant investment	83.55	88.62	89.66
Payroll per employee - All employees	$ 20,818	$ 21,700	$ 20,755
Payroll per factory employee	23,176	19,327	19,625
Payroll per administrative employee	23,808	28,316	26,231
Payroll per sales employee	33,518	39,765	27,528
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 16,971	$ 15,700	$ 17,003
Payroll per factory employee	21,969	14,860	16,923
Payroll per administrative employee	13,856	14,192	14,931
Payroll per sales employee	26,212	25,597	19,496
EXECUTIVE PAYROLL			
Payroll per executive - All executives	37,255	44,652	38,942
Payroll per factory executive	33,949	36,637	24,476
Payroll per administrative executive	41,971	55,509	52,135
Payroll per sales executive	31,127	49,413	31,248
RECEIVABLES			
Collection period	69.6	65.9	65.0
PROFIT			
Gross profit percentage of sales	20.58%	23.02%	18.22%
Average gross profit per factory employee	$ 24,469	$ 21,416	$ 12,887
Income before taxes percentage of sales	4.41%	10.09%	1.40%
Average income before taxes per employee	$ 3,165	$ 7,342	$ 308

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 2.13	$ 3.72	$ 3.36
Receivables	18.24	17.38	17.14
Inventories	9.87	8.14	12.95
Marketable securities	0.47	1.35	0.02
Other current assets	1.13	0.67	0.79
	31.84	31.26	34.26
Plant Investment:			
Land and building	9.55	7.88	0.33
Machinery and equipment	28.90	26.73	38.82
Other fixed assets	2.01	2.43	2.35
	40.46	37.04	41.50
Non-Current Assets	1.54	1.92	2.08
TOTAL INVESTMENT	73.84	70.22	77.84
INVESTMENT TURNOVER PER $100 OF SALES	135.43%	142.41%	128.47%
EARNINGS			
Cost of Product	$79.42	$76.98	$81.78
Selling Expenses	6.04	6.03	5.59
Administrative Expenses	8.53	6.79	9.35
	93.99	89.80	96.72
Income before Interest, Other Income, and Taxes	6.01	10.20	3.28
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.14%	14.53%	4.21%

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.75	38.69	50.26	45.04
FACTORY EXPENSES	19.66	16.98	17.55	18.63
TOTAL FACTORY COST OF PRODUCT	65.41	55.67	67.81	63.67
GROSS PROFIT	34.59	44.33	32.19	36.33
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.98	11.15	11.24	11.68
Selling expenses	10.18	12.10	8.19	8.94
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.16	23.25	19.43	20.62
INCOME BEFORE INTEREST EXPENSE	9.43	21.08	12.76	15.71
Interest expense	4.09	3.04	3.03	2.67
OPERATING INCOME	5.34	18.04	9.73	13.04
Other income	0.72	1.39	1.97	2.46
INCOME BEFORE INCOME TAXES	6.06	19.43	11.70	15.50

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.43%	3.72%	3.12%	2.96%
Direct wages	30.42	23.84	34.51	26.81
General factory salaries and wages	4.79	4.49	3.26	4.90
Packing, shipping and delivery wages	1.57	1.16	1.03	1.55
Payroll taxes	2.65	1.72	2.75	2.39
Employee benefits	2.89	3.76	5.59	6.43
TOTAL FACTORY PAYROLL	45.75	38.69	50.26	45.04
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.94	0.61	0.20	0.29
Depreciation - other	4.45	5.00	2.93	3.30
Taxes - real estate	0.44	0.52	0.59	0.40
Taxes - other	0.37	0.39	0.26	0.39
Insurance	0.78	0.77	0.48	0.44
Building rent	1.41	0.24	2.03	1.67
Utilities - heat, light, etc.	1.82	1.52	1.97	1.72
Equipment rental	0.62	0.04	0.42	0.37
Total Fixed Expenses	10.83	9.09	8.88	8.58
Other Expenses				
Factory supplies and expense	3.57	2.42	2.70	2.90
Packing, shipping and delivery expense	1.47	0.99	1.47	1.75
Repairs and maintenance	2.66	2.64	1.98	2.24
Other factory expenses	1.13	1.84	2.52	3.16
Total Other Expenses	8.83	7.89	8.67	10.05
TOTAL FACTORY EXPENSES	19.66	16.98	17.55	18.63
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.55	2.90	3.59	3.79
Salaries - office	4.17	2.68	3.14	2.63
Payroll taxes	0.59	0.34	0.33	0.29
Employee benefits	0.55	0.50	0.83	1.09
Bad debts	0.97	0.51	0.28	0.37
Office supplies and expenses	0.79	0.46	0.59	0.50
Professional fees	0.98	0.68	0.58	0.56
Taxes - business	0.42	0.46	0.08	0.08
Telephone	0.81	0.69	0.70	0.72
Other administrative expenses	2.15	1.93	1.12	1.65
TOTAL ADMINISTRATIVE EXPENSES	14.98	11.15	11.24	11.68
SELLING EXPENSES				
Salaries - executive	1.20	1.77	0.74	1.11
Salaries and commissions - salesmen	4.09	4.17	3.54	3.39
Salaries - sales office clerical	1.44	1.54	0.85	1.27
Payroll taxes	0.30	0.29	0.24	0.26
Employee benefits	0.35	0.51	0.63	0.89
Advertising	0.50	1.44	0.55	0.44
Travel and entertainment	1.27	1.28	1.07	0.92
Other selling expenses	1.03	1.10	0.57	0.66
TOTAL SELLING EXPENSES	10.18	12.10	8.19	8.94

CHAPTER 3 - BY PROCESS SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	20.51	20.94	29.89	29.91
Other chargeable materials	8.06	8.46	6.93	8.03
Outside services	8.50	7.21	5.38	3.80
TOTAL MATERIAL	37.07	36.61	42.20	41.74
FACTORY PAYROLL	29.01	24.65	29.14	26.43
FACTORY EXPENSES	12.25	10.83	10.18	10.90
TOTAL FACTORY COST OF PRODUCT	78.33	72.09	81.52	79.07
GROSS PROFIT	21.67	27.91	18.48	20.93
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.26	7.05	6.49	6.79
Selling expenses	6.42	7.74	4.73	5.19
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.68	14.79	11.22	11.98
INCOME BEFORE INTEREST EXPENSE	5.99	13.12	7.26	8.95
Interest expense	2.51	1.77	1.67	1.45
OPERATING INCOME	3.48	11.35	5.59	7.50
Other income	0.50	0.92	1.20	1.52
INCOME BEFORE INCOME TAXES	3.98	12.27	6.79	9.02

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.50%	0.46%	1.52%	1.55%
Film	1.66	2.13	1.65	1.71
Plates	1.80	1.23	2.45	2.32
Other chargeable materials	3.10	4.64	1.31	2.45
TOTAL OTHER CHARGEABLE MATERIALS	8.06	8.46	6.93	8.03
OUTSIDE SERVICES				
Composition	1.13	0.22	0.31	0.24
Offset preparation	1.89	0.31	0.20	0.09
Printing	0.69	0.31	0.84	0.39
Binding	3.99	5.54	2.42	2.22
Other outside services	0.80	0.83	1.61	0.86
TOTAL OUTSIDE SERVICES	8.50	7.21	5.38	3.80

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.14%	2.31%	1.83%	1.78%
Direct wages	19.63	15.01	20.00	15.79
General factory salaries and wages	2.65	3.00	1.88	2.81
Packing, shipping and delivery wages	1.02	0.75	0.60	0.90
Payroll taxes	1.69	1.14	1.60	1.41
Employee benefits	1.88	2.44	3.23	3.74
TOTAL FACTORY PAYROLL	29.01	24.65	29.14	26.43
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.59	0.39	0.12	0.18
Depreciation - other	2.73	3.16	1.71	1.95
Taxes - real estate	0.28	0.33	0.33	0.22
Taxes - other	0.22	0.26	0.15	0.22
Insurance	0.46	0.48	0.28	0.25
Building rent	0.87	0.13	1.15	0.94
Utilities - heat, light, etc.	1.17	0.97	1.16	1.03
Equipment rental	0.40	0.03	0.24	0.22
Total Fixed Expenses	6.72	5.75	5.14	5.01
Other Expenses				
Factory supplies and expense	2.28	1.51	1.58	1.71
Packing, shipping and delivery expense	0.89	0.65	0.85	1.02
Repairs and maintenance	1.64	1.69	1.14	1.30
Other factory expenses	0.72	1.23	1.47	1.86
Total Other Expenses	5.53	5.08	5.04	5.89
TOTAL FACTORY EXPENSES	12.25	10.83	10.18	10.90
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.22	1.77	2.10	2.20
Salaries - office	2.54	1.71	1.81	1.53
Payroll taxes	0.36	0.22	0.19	0.17
Employee benefits	0.36	0.32	0.48	0.64
Bad debts	0.55	0.35	0.15	0.21
Office supplies and expenses	0.48	0.28	0.34	0.30
Professional fees	0.63	0.43	0.34	0.33
Taxes - business	0.26	0.30	0.04	0.05
Telephone	0.51	0.43	0.40	0.42
Other administrative expenses	1.35	1.24	0.64	0.94
TOTAL ADMINISTRATIVE EXPENSES	9.26	7.05	6.49	6.79
SELLING EXPENSES				
Salaries - executive	0.76	1.10	0.43	0.64
Salaries and commissions - salesmen	2.60	2.71	2.03	1.96
Salaries - sales office clerical	0.90	1.02	0.49	0.74
Payroll taxes	0.19	0.19	0.14	0.15
Employee benefits	0.22	0.33	0.37	0.52
Advertising	0.32	0.88	0.32	0.26
Travel and entertainment	0.79	0.82	0.62	0.54
Other selling expenses	0.64	0.69	0.33	0.38
TOTAL SELLING EXPENSES	6.42	7.74	4.73	5.19

BALANCE SHEET

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.76%	0.86%	4.24%	6.05%
Receivables	35.45	34.71	40.71	33.21
Inventories	19.37	17.80	19.44	15.79
Other current assets	2.56	2.94	2.75	3.50
TOTAL CURRENT ASSETS	60.14	56.31	67.14	58.55
FIXED ASSETS				
Real estate	14.63	18.81	6.29	9.44
Less: Accumulated depreciation	4.41	7.11	1.92	2.88
	10.22	11.70	4.37	6.56
Machinery and equipment	60.57	47.31	57.22	58.48
Less: Accumulated depreciation	36.36	22.59	32.96	28.47
	24.21	24.72	24.26	30.01
Other fixed assets	4.90	5.37	4.45	4.40
Less: Accumulated depreciation	2.14	1.37	2.38	2.39
	2.76	4.00	2.07	2.01
NET FIXED ASSETS	37.19	40.42	30.70	38.58
OTHER ASSETS	2.67	3.27	2.16	2.87
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	13.14	9.27	10.30	3.71
Accounts payable	15.71	12.76	17.11	12.48
Other current liabilities	10.23	7.35	11.35	12.41
TOTAL CURRENT LIABILITIES	39.08	29.38	38.76	28.60
LONG-TERM LIABILITIES	25.81	15.80	15.41	16.10
TOTAL LIABILITIES	64.89	45.18	54.17	44.70
SHAREHOLDERS' AND PROPRIETORS' EQUITY	35.11	54.82	45.83	55.30
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.54	1.92	1.73	2.05
QUICK RATIO	1.04	1.31	1.23	1.50
TOTAL LIABILITIES TO EQUITY	1.85	0.82	1.18	0.81
LONG-TERM LIABILITIES TO EQUITY	0.74	0.29	0.34	0.29
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.60	0.48	0.58	0.49

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 31,554	$ 39,213	$ 26,602	$ 30,777
Average assets per factory employee (Excluding Executives)	60,379	51,350	33,065	38,201
Average net worth per employee - All employees	10,696	21,490	12,447	16,626
Average gross plant investment per factory employee (Excluding Executives)	44,826	36,451	22,826	27,758
Net worth percentage of fixed assets	105.58%	155.36%	159.58%	158.77%
EMPLOYEES				
Percent factory - All employees	76.59%	80.68%	84.63%	84.32%
Percent administrative - All employees	14.58	9.99	9.86	9.19
Percent sales - All employees	8.83	9.33	5.51	6.49
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 55,803	$ 68,541	$ 63,493	$ 69,833
Sales per factory employee	83,879	84,788	75,532	83,504
Sales less material per factory employee	52,841	53,001	43,360	48,093
Sales per administrative employee	494,063	684,744	669,054	776,267
EXCLUDING EXECUTIVES				
Sales per employee - All employees	63,562	76,388	68,327	74,872
Sales per factory employee	107,611	89,930	79,122	87,236
Sales less material per factory employee	68,420	56,158	45,443	50,280
SALES PER SALESMAN	778,347	600,156	1,378,271	1,458,912
SALES TO CURRENT ASSETS	325%	315%	380%	397%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	39.17%	34.01%	37.18%	35.00%
Factory payroll percentage of gross plant investment	72.53	62.53	112.99	85.07
Payroll per employee - All employees	$ 20,826	$ 21,386	$ 23,042	$ 24,052
Payroll per factory employee	23,608	19,071	21,050	21,331
Payroll per administrative employee	23,372	25,569	29,788	34,214
Payroll per sales employee	31,385	39,091	43,126	47,726
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 17,286	$ 15,874	$ 17,570	$ 17,353
Payroll per factory employee	22,823	15,016	16,808	16,434
Payroll per administrative employee	13,825	13,699	15,410	15,095
Payroll per sales employee	23,923	22,260	35,105	36,990
EXECUTIVE PAYROLL				
Payroll per executive - All executives	37,292	43,647	40,600	48,510
Payroll per factory executive	35,033	40,063	26,522	33,577
Payroll per administrative executive	41,551	49,627	58,204	74,151
Payroll per sales executive	30,373	42,420	45,770	68,656
RECEIVABLES				
Collection period	71.8	77.6	60.8	54.4
PROFIT				
Gross profit percentage of sales	21.67%	27.91%	18.48%	20.93%
Average gross profit per factory employee	$ 25,754	$ 26,666	$ 15,398	$ 18,721
Income before taxes percentage of sales	3.98%	12.27%	6.79%	9.02%
Average income before taxes per employee	$ 2,831	$ 9,476	$ 4,581	$ 6,270

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.59	$ 0.44	$ 1.48	$ 2.13
Receivables	18.79	20.60	16.40	14.52
Inventories	11.08	10.24	7.73	6.91
Marketable securities	0.27	1.13	1.11	1.67
Other current assets	1.13	0.61	0.45	0.41
	32.86	33.02	27.17	25.64
Plant Investment:				
Land and building	9.57	11.18	3.53	5.29
Machinery and equipment	32.29	28.90	24.07	26.65
Other fixed assets	2.23	3.02	1.75	1.81
	44.09	43.10	29.35	33.75
Non-Current Assets	1.76	2.09	1.28	1.77
TOTAL INVESTMENT	78.71	78.21	57.80	61.16
INVESTMENT TURNOVER PER $100 OF SALES	127.05%	127.86%	173.01%	163.51%
EARNINGS				
Cost of Product	$78.33	$72.09	$81.52	$79.07
Selling Expenses	6.42	7.74	4.73	5.19
Administrative Expenses	9.26	7.05	6.49	6.79
	94.01	86.88	92.74	91.05
Income Before Interest, Other Income, and Taxes	5.99	13.12	7.26	8.95
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.61%	16.78%	12.56%	14.63%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	36	$ 3,660,000	$ 7,056,000	$ 388,000
TOTAL - PROFIT LEADERS*	11	5,948,000	11,074,000	1,108,000
BY SIZE OF FIRM				
ALL FIRMS				
$250,000-$500,000	2	168,000	392,000	29,000
$500,000-$1,500,000	4	806,000	1,117,000	47,000
$1,500,000-$5,000,000	11	1,668,000	3,152,000	83,000
$5,000,000-$10,000,000	11	3,558,000	6,662,000	201,000
Over $10,000,000	8	8,837,000	17,600,000	1,326,000
PROFIT LEADERS				
$5,000,000-$10,000,000	4	3,571,000	6,400,000	555,000
Over $10,000,000	5	10,035,000	18,823,000	1,919,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	30	3,865,000	7,418,000	391,000
Printing Only	5	1,996,000	4,107,000	24,000
PROFIT LEADERS				
Printing and Binding	10	5,959,000	11,089,000	1,006,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	28	3,261,000	6,005,000	289,000
Web-Fed Offset	6	5,890,000	12,560,000	1,039,000
PROFIT LEADERS				
Sheet-Fed Offset	6	5,587,000	9,336,000	1,025,000
Web-Fed Offset	4	7,916,000	16,327,000	1,496,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 36.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	